

1 UNITED STATES DISTRICT COURT
2 DISTRICT OF NEVADA
3
4

5 TRAVELERS CASUALTY AND SURETY
6 COMPANY OF AMERICA,

7 Plaintiff,

8 v.

9 WILLIAMS BROTHER, INC., et al.,

10 Defendants.

2:12-cv-0058-LDG-RJJ

ORDER

11 The court issues this order to address what the corporate defendants and non-party entities
12 subject to the preliminary injunction claim is a dilemma in that they are required to appear in
13 federal court represented by counsel, yet do not have the means to retain counsel since their assets
14 are frozen under the preliminary injunction. This matter arose anew in the show-cause hearing
15 conducted on April 10, 2014.

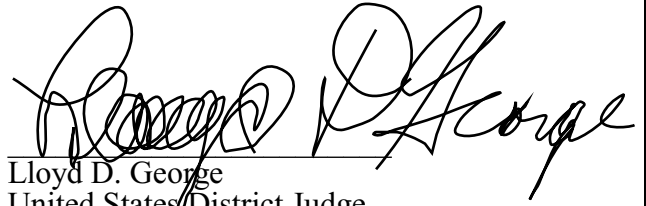
16 The Ninth Circuit has been consistent in affirming the general rule that a corporation may
17 appear only through an attorney. See Taylor v. Knapp, 871 F.2d 803, 806 (9th Cir. 1989).
18 However, the Taylor court appeared, at least, to recognize the narrow exception to the general rule
19 whereby a corporation with insufficient funds to retain counsel may appear without legal
20 representation if the principals of the corporation are also parties to the action. Id. (dictum). In
21 this case, in view of the court's findings that Travelers has presented significant alter ego
22 evidence, and that the corporations are closely held or controlled by the Peeks, the court is willing
23 to allow the defendant and non-party corporations to proceed without legal representation under
24 the following conditions: (1) all principals, owners, officers, or those authorized to act on behalf of
25 the subject corporation, including the Peeks, agree in writing filed with the court that Michael
26 Peek may represent its interests, and (2) that all principals, owners, officers, or those authorized to

1 act on behalf of the subject corporation are present in court during scheduled proceedings. See
2 Phoenix Mut. Life Ins. Co. v. Radcliffe On Delaware, Inc., 439 Pa. 159, 166-67, 266 A.2d 689,
3 701-702 (Pa. 1970). If these conditions cannot be met, the court will proceed without
4 representation of the subject corporations, and consider possible default or sanctions.

5 SO ORDERED.

6
7 Dated this 10 day of April, 2014.

8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26


Lloyd D. George
United States District Judge